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ROUTINE

IN 49348

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DIST 12 FEBRUARY 1968

COUNTRY SOUTH VIETNAM

DOI JANUARY - 10 FEBRUARY 1968

SUBJECT COMMODITY PRICE RISES AS A RESULT OF THE
TET OFFENSIVEFOO VIETNAM, SAIGON (5-10 FEBRUARY 1968) FIELD NO.
FVS-16,649SOURCE THIS IS A COMPILATION OF AVAILABLE INFORMATION
ON THE SUBJECT

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IT IS NOT FULLY EVALUATED
INTELLIGENCE.

SUMMARY: AS A RESULT OF THE TET OFFENSIVE, THE PRICES OF
COMMODITIES ON 5 FEBRUARY 1968 HAD RISEN AT ONE MARKET IN
SAIGON TO APPROXIMATELY DOUBLE THE LEVEL PREVAILING IN JANUARY
1968. ON 6 FEBRUARY 1968 ONE YHIGON MARKET REPORTED CONSIDERABLE
INCREASES IN THE PRICES OF MEAT BUT A DROP IN THE PRICE OF ONE-
DAY OLD BREAD. SIMILAR PRICE RISES HAVE BEEN REPORTED IN SEVERAL
PROVINCIAL CAPITALS. THE RELEASE OF STOCKS OF RICE AND MEAT BY
THE GOVERNMENT OF VIETNAM IN SAIGON SHOULD LOWER THE PRICES OF

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THOSE COMMODITIES, BUT THOSE OF OTHER ITEMS WILL PROBABLY REMAIN AT A HIGH LEVEL UNTIL NORMAL DISTRIBUTION NETWORKS CAN BE REESTABLISHED. END SUMMARY.

1. THE VIET CONG (VC) TET OFFENSIVE HAS AFFECTED BOTH THE AVAILABILITY OF COMMODITIES AND ALSO PRICES IN SAIGON. ONE LOCATION WHERE THESE EFFECTS HAVE BEEN NOTED IS THE TAN DINH MARKET IN THE DAKAO DISTRICT OF SAIGON. ON 5 FEBRUARY 1968 AT THIS LOCATION, STAPLE FOOD ITEMS WERE PLENTIFUL, VEGETABLES WERE SCARCE, AND PRICES WERE APPROXIMATELY DOUBLE THOSE OF JANUARY 1968. A COMPARISON OF THE PRICES (IN SOUTH VIETNAMESE PIASTRES) BEFORE AND AFTER TET AT THIS MARKET (ALONG WITH THE WEEKLY ECONOMIC INDICATORS FOR SAIGON AS OF 22 JANUARY 1968) IS GIVEN IN THE FOLLOWING TABLE:

COMMODITY	WEEKLY ECONOMIC INDICATORS	PRICES BEFORE TET	PRICES OF 5 FEBRUARY 1968
EGGS (EACH)	8.5 (DUCK)	8	20
PORK (KG)	350 (LEAN)	350	700
BEEF (KG)	250 (BEEFSTEAK)	300	600
CHICKEN (EACH)	260	350	700
RICE (100 KG)	3,400 (NANG-HUONG)	3,500	5,000

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COOKING OIL (20 L)	WA	175	250
NUOC MAN (3 L)	150 (JAN)	150	200
SALAD			
VEGETABLES (KG)	WA	110	220
POTATOES (KG)	WA	70	100
U.S. CIGARETTES			
SALEMS (PACK)	WA	50	100

ON 6 FEBRUARY FOOD PRICES AT ANOTHER MARKET IN SAIGON

WERE REPORTED AS FOLLOWS:

COMMODITY	PRICES BEFORE TET	PRICES OF 6 FEBRUARY
PROK (KG)	400	1,000
CHICKEN (EACH)	200	1,000
CHINESE CABBAGE (EACH)	50	200

AT THE SAME MARKET THE PRICE OF ONE-DAY OLD BREAD HAD DROPPED FROM VNS40 TO VNS20.

3. COMMODITY PRICES HAVE ALSO INCREASED OUTSIDE OF SAIGON AS A RESULT OF THE TET OFFENSIVE, ACCORDING TO SCATTERED REPORTS. ON 7 FEBRUARY FOOD PRICES IN SIEN HOA CITY WERE REPORTED TO BE 50 TO 75 PERCENT ABOVE NORMAL. IN TAY NINH CITY ON 3 FEBRUARY

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THE PRICES FOR CHICKENS, FISH AND BREAD WERE DOUBLE THOSE PRIOR TO TET, AND THE PRICES FOR PORK LOIN AND SPARE RIBS HAD RISEN ABOUT 50 PERCENT. IN PHAN THIET THE PRICE OF A LOAF OF BREAD HAD GONE UP TO VN\$50 ON 5 FEBRUARY. IN VINH LONG CITY, WHICH IS LOCATED IN A RICE SURPLUS AREA, WHERE THE HARVEST HAS JUST BEEN COMPLETED, THE PRICE OF A LITER OF RICE ON 5 FEBRUARY HAD RISEN TO VN\$100 FROM VN\$20.

4. THE RISE IN PRICES IS APT TO CONTINUE UNTIL NORMAL DISTRIBUTION NETWORKS CAN BE REESTABLISHED. RICE AND MEAT ARE IMPORTANT TO THE VIETNAMESE DIET. ACCORDING TO THE SAIGON POST OF 10 FEBRUARY, THE GOVERNMENT OF VIETNAM (GVN) HAS SET UP FIXED AND MOBILE SUPPLY CENTERS IN SAIGON TO DISTRIBUTE 10,000 TONS OF RICE AND 100 TONS OF FROZEN PORK AND CHICKEN. THE PRICES OF THESE COMMODITIES SHOULD DROP, BUT THE PRICE OF THE MORE DIFFICULT TO OBTAIN ITEMS, SUCH AS FRESH VEGETABLES, WILL UNDOUBTEDLY REMAIN AT A HIGH LEVEL.

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